

Testimony of  
David Gable  
President  
Hocon Gas, Inc.  
6 Armstrong Road 3rd Floor  
Shelton, CT 06484  
203-925-0600

General Law Committee  
Public Hearing Room 1A  
Legislative Office Building  
Tuesday March 11, 2014  
CT General Assembly

**(Raised) S.B. No. 299 AN ACT ESTABLISHING A PREPAID CONSUMER HEATING FUEL CONTRACT  
GUARANTY FUND.**

Senator Doyle, Representative Baram and members of the General Law Committee, my name is David Gable. I am the President of Hocon Gas, Chairman of the Connecticut Legislative Committee of the Propane Gas Association of New England (PGANE) and a past President. Hocon Gas has been in business over 60 years with 120 employees and 5 CT distribution locations. We have never sold a fixed price option to a customer without being fully hedged. Our company has always obeyed the law when protecting the vital interests of our customers especially when they elect to purchase fixed price products from our company. We are extremely disappointed that some companies in the past have ignored the law and hurt consumers in our state.

We oppose this bill in its present form. Although S.B. No. 299 on the surface appears to be a remedy for consumers, it will actually hurt them by increasing the costs to all consumers and potentially increase the success rate of bogus offers from mal- intended home heating fuel suppliers. Bogus offers are what hurt consumers in the past, increasing these kinds of offers in the future, cannot be a good thing. More people will take the risk knowing that the State will make them whole if the dealer fails. It is tantamount to gambling at Foxwoods or Mohegan Sun with the taxpayers' money!

Instead of requiring a guarantee fund, we would suggest our already established laws be strengthened by adding a **MORATORIUM PERIOD** not allowing Prepaid Fixed Price Contracts to be sold from December 1<sup>ST</sup> to April 30<sup>th</sup> of each year. This moratorium period will weed out "*the too good to be true*" product offers and deny poorly run companies the funds to perpetuate poor business practices during the winter months of operation.

Strengthening our existing laws by adding a **MORATORIUM PERIOD** combined with greater enforcement of our current laws we will eliminate the need for a Guarantee Fund and all of its associated costs while allowing consumers fixed price contracts for those who want them.

This concludes my testimony and I would be happy to answer any questions you may have.